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"In *People v. Yeaton*, 75 Cal. 415, 17 Pac. 544, the holding of the court is succinctly contained in the syllabus (75 Cal.), which is as follows: 'The defendant in a criminal prosecution, who is a witness in her own behalf, cannot be compelled, on cross-examination, to testify to statements made by her out of court, which amount to a confession of the crime, unless it be first shown that the confession was voluntary. And this is so, although the evidence be offered by the prosecution, not as a confession, but merely as contradictory statements, for the purpose of impeaching the witness.'

"In *Shephard v. State* (88 Wis., 185, 59 N. W., 449) the court said: 'The confession was rejected because it was extorted. It was unfair to the accused and should not be proved against him, and is condemned by the court and ruled out. When the defendant was asked if he made that confession and denied it, the same witnesses who extorted the confession and whose testimony was disallowed on that account are allowed to testify to the confession, however wickedly and wrongly it was obtained, on the exceedingly narrow theory that it is not admitted as a confession, but merely to contradict the witness. The confession is allowed to go to the jury and have its effect in convicting the defendant and override the ruling of the court that it was inadmissible as evidence against him for such a petty reason. The confession is just as objectionable as evidence, and as incompetent and hurtful, when offered in one way as in another. If no other evidence on the ground of contradicting the defendant as a witness could be found, he had better have gone uncontradicted than that his legal rights as a prisoner should be so violated and his conviction obtained by such unlawful testimony. The object is to get the confession in evidence. It cannot be done directly, but it can be done indirectly. It cannot be used to convict, but it can be used to contradict the defendant, and in that way it is used to convict him all the same. We cannot adopt such a principle or practice in the administration of criminal law. It is unreasonable as well as unjust.'

"In *Greenleaf on Evidence* (15th Ed.) vol. 1, § 449, it is said: "It is a well-settled rule that a witness cannot be cross-examined as to any fact, which is collateral and irrelevant to the issue, merely for the purpose of contradicting him by other evidence, if he should deny it, thereby to discredit his testimony.'

"We therefore hold that the trial court was in error in permitting the State to cross-examine the witness as to said alleged confession."

Stock and Stockholders—Right of Stockholder to Purchase New Shares Where Increase Authorized but Not Made.—In *Hammer et al. v. Cash*, 178 N. W. 465 the Supreme Court of Wisconsin, held that where the articles of incorporation were amended so as to authorize an increase in the capital stock of a railroad company for

the purpose of building an extension, and it was provided that stock not necessary to be sold should be held, etc., a stockholder is not entitled by virtue of the amendment to purchase a proportionate number of new shares and where the extension was abandoned, an issue of new stock to the president, who was a shareholder, was unlawful; the directorate not assenting, though the president asserted his right to buy such additional shares.

The court said: "It is firmly established as the law of this state by *Luther v. C. J. Luther Co.*, 118 Wis. 112, 94 N. W. 69, 99 Am. St. Rep. 977, and *Dunn v. Acme. A. & G. Co.*, 168 Wis. 128, 169 N. W. 297, that upon an increase of the capital stock of a corporation a stockholder is entitled to retain and maintain his relative and proportionate voice and influence in the control and management of the affairs of the company by purchasing an amount of the increase of the capital stock proportionate to his their holdings in the corporation, and before the stock can be sold to outsiders each stockholder must be given an opportunity to avail himself of this right. This principle is not questioned by respondents, but they insist that this right does not accrue until the corporation concludes to issue the increased stock, and that then it only applies to so much of the stock as it is proposed to issue, and whether this position is correct is the principal question to be determined.

"The amendment of the articles of the corporation increasing its capital stock merely authorizes and empowers the corporation to issue increased stock in such amounts and at such times as may thereafter be determined by proper corporate authority. It is under no obligation to issue the stock merely because it has acquired power and authority so to do. Articles of incorporation are frequently so amended as to increase the amount of the authorized capital stock of a company in such amounts as will meet its contemplated requirements for some time in the future, without any thought that the whole amount of such increase shall at once be issued. May a stockholder, immediately upon an amendment of such character becoming effective, demand that his proportionate share of the entire amount of such increase be issued to him? Bearing in mind that this right is accorded to the stockholder in order that he may maintain his relative voice in the affairs of the corporation, it is manifest that the reason upon which the principle is founded is fully satisfied if he is permitted to purchase his relative proportion of such amount of the stock as is authorized is to be issued. To illustrate, a corporation may so amend its articles as to provide for an increase of its capital stock in the sum of \$100,000. From the mere amendment of the articles, however, it does not follow that the entire amount of such increase is to be issued. Whether any part of such increase is to be issued, and when, and for what amount, rests with the corporation after it has acquired the authority so to do by the amendment

to its articles. When the corporation decides to issue \$50,000 of the authorized increase, the right of the stockholder is fully protected by permitting him to purchase his proportionate share of such \$50,000 proposed to be issued, and this we think is as far as the rule extends.

"In this case the corporation had done nothing more than to amend its articles authorizing an increase in its capital stock. Neither the stockholders nor the board of directors had taken action authorizing the issue of any part of such increase. Moreover, the resolution authorizing the increase of the capital stock recites that it is necessary to raise the money for the purpose of constructing a proposed extension of the railroad, and specifically provides:

"That said stock and bonds when issued be disposed of only as may be necessary to procure funds for the construction and equipment of said extension, and should it be found not to be necessary to use the entire issue hereby provided for then the balance shall be held in the treasury of the company to be disposed of in the future as may be determined."

"It is without dispute that the building of the extension was abandoned when war was declared, and there is no pretense on the part of the defendants that the money accruing from the sale of this stock was necessary for the purpose of constructing the extension. Under the circumstances, the sale of the stock was not only unauthorized, but was prohibited by the fundamental governing body of the corporation, the stockholders themselves. There was therefore no power or authority on the part of the president and secretary of the company to sell the stock in question to themselves or to any other person, and its issuance was void. The judgment of the lower court canceling said stock was plainly right."

Taxation—Income of Corporation Derived from Sources Outside of State.—In *F. S. Royster Guano Co. v. Commonwealth of Virginia*, 40 Supt. Ct. Rep. 560, the Supreme Court (Justices Brandeis and Holmes, dissenting) held that Va. Acts 1916, c. 472, in so far as it imposes on a domestic corporation doing business both within and outside the state a tax with respect to its income derived from sources outside the state, denies such corporation the equal protection of the laws, in violation of the Fourteenth Amendment, in view of Va. Acts 1916, c. 495, exempting domestic corporations doing no part of their business within the state from any tax on their income.

The court said in part: "Of course, these two statutes—chapter 472 and chapter 495—must be considered together as parts of one and the same law; and by their combined effect, if the judgment under review be affirmed, plaintiff in error will be required to pay a tax upon its income derived from business done without as well as from that done within the state, while other corporations owing existence